

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEALS OF DANIEL R. JAMES from the decisions of the Board of Equalization of Fremont County for tax year 2007.) APPEAL NOS. 07-A-2256
) THRU 07-A-2259
) FINAL DECISION
) AND ORDER

VACANT COMMERCIAL LOT APPEALS

THESE MATTERS came on for hearing October 24, 2007, in St. Anthony, Idaho before Board Member David E. Kinghorn. Board Member Lyle R. Cobbs participated in this decision. Appellant Daniel R. James appeared at hearing. Assessor Kathy Thompson, and Appraisers Kent Lords and Bruce Hill appeared for Respondent Fremont County. These appeals are taken from four (4) decisions of the Fremont County Board of Equalization denying the protests of the valuations for taxing purposes of properties described as Parcel Nos. RP00131000019AA, RP00131000032BA, RP00131000061AA, and RP001310000620A.

The issues on appeal are the market values of four (4) unimproved commercial lots.

The decisions of the Fremont County Board of Equalization are affirmed.

FINDINGS OF FACT

Parcel No. RP00131000019AA (Lot A)

The assessed land value of this .5 acre lot is \$33,750. Appellant requests the land value be reduced to \$28,000.

Parcel No. RP00131000032BA (Lot B)

The assessed land value of this .75 acre lot is \$45,500. Appellant requests the land value be reduced to \$40,000.

Parcel No. RP00131000061AA (Lot C)

The assessed land value of this .25 acre lot is \$20,000. Appellant did not indicate a value

claim concerning this parcel.

Parcel No. RP001310000620A (Lot D)

The assessed land value of this .25 acre lot is \$20,000. Appellant did not indicate a value claim concerning this parcel

The subject properties are located in Sawtelle Estates #1 subdivision in Fremont County.

From testimony at hearing, it appears Appellant is less interested in the market value of the subject parcels, and more concerned about certain confusions surrounding the assessment notices. Appellant indicated Lots C and D were combined and assessed as a single parcel in prior years, however, were split and assessed separately for the 2007 tax year. Lots A and B were noted to each be comprised of at least two (2) separate lots that were not split and assessed separately; they each remained as combined lots for assessment purposes. Appellant pointed to this inconsistency and asked for the reason the properties were treated differently.

Appellant also referenced several sales from within the Sawtelle Estates subdivision. The sales occurred between 2003 and 2005. Details concerning lot sizes were not shared.

Respondent acknowledged the inconsistency mentioned by Appellant and explained the county was in the process of correcting the problem. Historically, it was common practice in the county to combine adjacent lots (with the same owner) for assessment purposes. The practice of combining the smaller parcels into a larger single lot resulted in a lower value per acre than if the smaller lots were assessed individually. In other words, owners of multiple lots were assessed at a lower rate per acre than owners of single lots. Respondent argued this resulted in inequitable assessments for the taxpayer who owned only a single small lot. To remedy the situation, the Assessor implemented a county-wide policy starting for the 2007 tax year, whereby all lots would be split and assessed individually. Because of the magnitude of this undertaking,

Respondent stated it would likely take several years for all the parcels to be split. This was argued to be the reason for the apparent discrepancy concerning the treatment of the subject lots.

To support the assessed values of the subject parcels, Respondent explained a land value schedule was developed using sales of property from within subjects' subdivision. Also included in the schedule, were sales from the adjacent Aspen Ridge #1 subdivision because the subdivisions were deemed to share similar characteristics. The sales occurred between 2004 and 2006 with time adjustments applied to the older sales. It was noted the value schedule was applied uniformly to properties in the subdivision; subjects included.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

As Appellant failed to indicate value claims for Lots C and D, we have no basis for which to grant relief. Therefore, the decisions of the Fremont County Board of Equalization concerning Parcel Nos. RP001310000620A and RP00131000061AA are affirmed.

Appellant's primary concern seemed to be a level confusion surrounding the splitting of lots; particularly the splitting of subject Lots C and D, when Lots A and B were left as combined lots and assessed as such. Respondent acknowledged the problem and testified progress was being made to eliminate the inconsistencies. It was noted however, it is a large undertaking that will take some time to complete. We understand and sympathize with Appellant's confusion surrounding the splitting of lots in the county, however, Appellant failed to demonstrate harm as

a result. From the testimony provided by Respondent it appears the Assessor is taking a proactive role to eliminate inequitable assessments so taxpayers bear their just proportion of the overall tax burden as required by the constitution.

For the purposes of taxation, Idaho requires property be assessed at market value as defined in Idaho Code § 63-201(1):

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

To this end, the Idaho Supreme Court has recognized three (3) approaches for determining market value.

[T]here are three primary methods of determining market value: the cost approach, in which the value as determined by new cost or market comparison is estimated and reduced by accrued depreciation; the income approach, applicable to "income producing property" in which a capitalization rate is determined from market conditions and applied to net income from the property to determine appraised value; and the market data (comparison method) approach, in which value of the assessed property is ascertained by looking to current open market sales of similar property. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979).

Appellant referenced several sales from within subjects' subdivision that occurred between 2003 and 2005. Details regarding the lot sizes were not provided. Nor does it appear time adjustments were applied. The issues to be resolved in these appeals concern the market values of the subject lots on January 1, 2007. Idaho Code § 63-205. The Board finds Appellant's sales information to be stale and not good indicators of subjects' value on the applicable assessment date.

Respondent explained a land value schedule was developed from sales involving

properties located in subjects' subdivision, as well as those from an adjacent subdivision. The rates derived from the value schedule were applied uniformly to all properties in the subdivisions. Nothing in the record indicates subjects were treated differently.

The burden lies with Appellant to show error in the Assessor's values by a preponderance of the evidence. Idaho Code § 63-511. This burden was not met here, so the decisions of the Fremont County Board of Equalization are affirmed on all counts.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Fremont County Board of Equalization concerning the subjects parcel be, and the same hereby are, affirmed.

MAILED April 30, 2008